

**MINUTES OF THE
WORKFORCE SERVICES AND COMMUNITY
AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**
Wednesday, June 23, 2010 – 9:00 a.m. – Room 450 State Capitol

Members Present:

Sen. Mark B. Madsen, Senate Chair
Rep. Steven R. Mascaró, House Chair
Sen. Patricia W. Jones
Sen. Ralph Okerlund
Sen. Luz Robles
Rep. Laura Black
Rep. Neil A. Hansen
Rep. Christopher N. Herrod
Rep. Kenneth W. Sumsion
Rep. Christine F. Watkins

Members Absent:

Sen. Daniel R. Liljenquist
Rep. James A. Dunnigan
Rep. Paul Ray

Staff Present:

Mr. Arthur L. Hunsaker, Policy Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Mascaró called the meeting to order at 9:12 a.m.

MOTION: Sen. Jones moved to approve the minutes of the May 19, 2010 meeting. The motion passed unanimously. Sen. Madsen, Sen. Robles, and Rep. Herrod were absent for the vote.

2. Update: Solvency of the Unemployment Insurance Trust Fund

Mr. Bill Starks, Director, Unemployment Division, Department of Workforce Services (DWS), reviewed a handout, "Questions Regarding UI Trust Fund" that was distributed by staff. Mr. Starks distributed and reviewed handouts, "Utah Unemployment Insurance (UI) Trust Fund," "UI Trust Fund Balance Projections," and "UI Tax Rate Calculations and Explanations." He reviewed the current status of Utah's Unemployment Insurance Trust Fund (Fund), explained why the Fund may go insolvent, and gave options for helping to maintain its solvency.

Mr. Starks responded to committee questions.

Mr. Tom Bingham, President of the Utah Manufacturers Association and member of the Employment Advisory Council (Council), noted that the Council is working together with DWS to find solutions to maintain the solvency of the Fund.

Mr. David M. Davis, President of the Utah Retail Merchants Association and a member of the Council, commented that the Council is working toward a reasonable and responsible solution to prevent the Fund from becoming insolvent.

Staff distributed a handout, "Questions Regarding UI Trust Fund" that Ms. Melissa Smith, Community Action Partnership of Utah, asked be given to committee members.

3. Use of the Phrase "Liberally Construed" in Workforce Services Administrative Rule

Mr. Hunsaker noted that the Administrative Rules Review Committee requested that the Committee review whether DWS, through its interpretation and enforcement of the phrase "liberally construed" in one of its administrative rules, may be moving beyond the original intent of state law and recommend whether the phrase should be removed from the agency's rule.

Mr. Geoffrey Lanward, General Council, DWS, gave a brief background as to why the rule was enacted and how the department implements and interprets it.

Chair Mascaro noted that the committee chairs will bring this issue back for further consideration in a future meeting.

4. Tax Credits for Motion Picture Productions

Mr. Spencer Eccles, Executive Director, Governor's Office of Economic Development (GOED), introduced the issue and recognized those in attendance who are involved with motion picture productions in the state. His overview consisted of what has been done regarding tax credits for motion picture productions, how they are implemented, and GOED's success in attracting new productions.

Mr. Derek Miller, Managing Director of Business Incentives and Growth, GOED, gave a presentation on the history of Utah's Motion Picture Incentive Fund.

Mr. Marshall Moore, Director, Utah Film Commission, GOED, continued with the presentation and noted the successes of film productions in Utah. He also reviewed the movies that have been recently filmed in Utah.

5. West Coast Marketing Initiative/Recruitment

Mr. Miller briefed the Committee on the West Coast Marketing Initiative (Initiative). He gave an update on the West Coast Business Direct Contact that recognized Utah's strengths and challenges in attracting new businesses into the state. He noted that Utah's business climate is considered most favorable in business development.

Mr. Clark Caras, Program Specialist, GOED, discussed the second phase of the West Coast Business Direct Contact and distributed a copy of a magazine article, "Fortune – From up here, You Can See the Economic Recovery," which featured Utah's marketing program.

Mr. Eccles asked to come back to a later committee meeting to discuss GOED proposals related to the Initiative.

6. Other Items /Adjourn

MOTION: Rep. Hansen moved to adjourn the meeting. The motion passed unanimously. Rep. Sumsion and Rep. Watkins were absent for the vote.

Chair Mascaro adjourned the meeting at 11:13 a.m.